

CENTRAL INTELLIGENCE AGENCY

## REPORT NO

CD NO.

COUNTRY China

**CONFIDENTIAL**

DATE DISTR. 8 August 1949

**SUBJECT** Communist Abandonment of Coastal Cities

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SUPPLEMENT TO  
REPORT NO. *cu* 25X1X

1. The present Communist military drive to the Southwest is prompted not only by the desire to consolidate the mainland but also by the doubt that the Chinese Communist Party (CCP) will be able to hold and control the coastal cities if attacked there in case of a world war. The CCP believes that a world war is inevitable and imminent.
2. The CCP is also conscious of the fact that they are unable to keep the coastal cities going and will abandon them in the near future for bases in the interior, certainly if war comes from abroad and probably if the economic situation becomes worse.
3. YANG Hu (楊虎), one of the leaders of the Farmers' and Laborers' Party in Shanghai, is in Peiping at the invitation of CHOU En-lai. It is rumored that he is in Peiping to help make plans for the abandonment by the Communists of Shanghai.
4. Another rumor is that YANG was invited to Peiping to get him away from the protection of his men, as he has been held by CHEN Yi as hostage for the good behavior of Shanghai gangs under his influence, ever since he offered his assistance in the takeover of Shanghai.

This document is hereby regraded to  
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letter of 16 October 1978 from the  
Director of Central Intelligence to the  
Archivist of the United States.  
Next Review Date: 2008

Document No.

NO CHANGE in Class. ☒

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Class. ☒ CONFIDENTIAL ☐ SECRET

DEA Memo, 4 Apr

Auth. ~~DA~~ REG 77/1763

DATE: MAY 26 BY:

Date: May 20 By: \_\_\_\_\_

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**CLASSIFICATION**

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